

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018/ 2019

BMG3824 – CROSS CULTURAL MANAGEMENT

(Distance Education)

7 MARCH 2019
2.30 P.M-4.30 PM
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consist of **FOUR (4)** pages (including the cover page).
2. Answer **ALL** questions. The marks distributions are given in parentheses.
3. Write all your answers in the Answer Booklet provided.

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Section A-Case Study (40 Marks)**Answer ALL Questions****Aditya Birla Group: Global Vision-Indian Values**

In 2008, the Aditya Birla Group (ABG) was a US\$28 billion corporation. It employed 100,000 people belonging to 25 nationalities and over 50% of its revenues were attributed to its overseas operations in countries like the US, UK, China, Germany, Hungary and Brazil among others.

The group's product portfolio comprised Aluminum (Hindalco-Indal), Copper(Birla Insulators (Birla NGK Insulators Pvt Ltd), Viscose Filament Yarn(Indian Rayon and Industries Ltd), Carbon Black(Birla Carbon), Insurance (Birla Sun Life Insurance Company Ltd), Telecommunications (Idea Cellular Ltd) and BPO (Minacs Worldwide Ltd).

In 2007, the group acquired Novelis Inc. the Atlanta (US)-based aluminum producer to become the largest rolled-aluminum products manufacturer in the world. The group had also acquired a majority stake in Indal from Alcan of Canada in the year 2000, and this has positioned it in the value-addition chain of the business, from metal to downstream products. Birla Copper enjoyed a good market share in the country and the acquisition of mines in Australia in the year 2003 elevated it to an integrated copper producer. Indo-Gulf Fertilizers possessed a brand that commanded strong cash flows and a leadership position in the fertilizer industry. The group had entered into a 50:50 joint venture with NGK Corporation of Japan for its insulation division in 2002. This was expected to provide ABG access to the latest in product and manufacturing technology for the insulators division and also to open up the path to global markets. In 2006, the group purchased the equity holding of NGK and made the venture its subsidiary. A Group company, Birla Sun Life, offered insurance and mutual fund products in the Indian market. In 2006, the group acquired Minacs Worldwide, a BPO company and acquired a Tata's stake in Idea Cellular. In 2007, the group acquired Trinethra, a chain of retail stores.

Analysts felt that the group's ability to grow has stemmed largely from the emphasis placed on building meritocracy in the group. Under the leadership of Kumar Mangalam Birla (Birla), several initiatives were taken with the focus on learning and relearning, performance management and organizational renewal. Birla also instituted steps to retire aged managers and replaced them with young managers, who came in with fresh and 'out of box' ideas.

AGB instituted Gyanodaya, the group's learning center, to facilitate transfer of best practices across the group companies. The training methodology comprised classroom teaching and e-learning initiatives and training calendar was accessible to the group employees through company-wide intranet.

Continued...

The company also put in place 'The Organizational Health Survey' aimed at tracking the satisfaction levels of the group's managers. The survey was seen as a gauge ABG becoming one of the preferred employees in Asia. Toward performance management, the group has instituted the Aditya Birla Sun awards to recognize the success of the group companies. This resulted in information sharing and encouraged healthy competition among these companies. In addition, to the stunning growth of ABG, Kumar Mangalam Birla has taken steps to root the company in its heritage and give back to India. Its mission in that regard is evidenced in the website description of its activities.

Source: International Management Managing across Borders and Cultures-Helen Deresky, Pearson, Seventh edition, pp-266-267.

From the above case study answer the following:

Question 1

- a) Critically analyse the growth strategy adopted by the Aditya Birla Group. What are your views on the business portfolio adopted by the group? (12 Marks)
- b) Analyse the initiatives taken by the group on the personnel and culture front under the leadership of Kumar Mangalam Birla (16 Marks)
- c) Discuss how ABG has addressed the second part of its mission-"Indian 'Values.'" (12 Marks)

[40 Marks]

SECTION B (60 MARKS)

Answer ALL questions.

Question 1

- a) Identify and explain any FIVE (5) cultural variables in communication. (10 Marks)
- b) Briefly explain any FIVE (5) common criticisms of MNC subsidiary activities. (10 Marks)

[20 Marks]

Question 2

- a) Multinational corporations use different ways to enter a foreign market. Explain any four types of strategic options to enter a new market. (10 Marks)
- b) What are the FOUR (4) types of legal systems? Illustrate them with examples. (10 Marks)

[20 Marks]

Continued...

Question 3

- a) With reference to negotiation process explain persuasion, concession and agreement in detail. (10 Marks)
- b) Explain any FIVE (5) subsystems that influence people and their behavior (10 Marks)
[20 Marks]

End of Paper

